

Approved as Written: April 10, 2002

**CITY OF MORGAN HILL  
SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND  
SPECIAL CITY COUNCIL MEETING  
MINUTES - MARCH 27, 2002**

**CALL TO ORDER**

Chairperson/Mayor Kennedy called the meeting to order at 6:30 p.m.

**ROLL CALL ATTENDANCE**

Present: Agency/Council Members Carr and Chang and Chairperson/Mayor Kennedy  
Late: Agency/Council Member Sellers (Arrived at 6:32 p.m.)  
Absent: Agency/Council Member Tate

**DECLARATION OF POSTING OF AGENDA**

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

***City Council and Redevelopment Agency Action***

**CLOSED SESSIONS**

Agency Counsel/City Attorney Leichter announced the closed sessions as follows:

1.

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure to Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

2.

**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)

Name of Case: Hacienda Valley Mobile Estates v. City of Morgan Hill et al.

Case No: C 01-20976 PVT, United States District Court, Northern District of California

Attendees: City Council, City Manager, City Attorney

**OPPORTUNITY FOR PUBLIC COMMENT**

Chairperson/Mayor Kennedy opened the closed session items to public comments. No comments were offered.

### **ADJOURN TO CLOSED SESSION**

Chairperson/Mayor Kennedy adjourned the meeting to closed session at 6:32 p.m.

Agency/Council Member Sellers entered at 6:32 p.m.

### **RECONVENE**

Chairperson/Mayor Kennedy reconvened the meeting at 7:00 p.m.

### **CLOSED SESSION ANNOUNCEMENT**

City Attorney Leichter announced that no reportable action was taken on the above listed closed session items.

### **SILENT INVOCATION**

### **PLEDGE OF ALLEGIANCE**

At the invitation of Mayor/Chairman Kennedy, Ed Honesto led the Pledge of Allegiance.

### **RECOGNITION**

Recreation Supervisor Lugger indicated that due to the hard work, dedication and tenacity of a few community members, the youth in the community now have an interim BMX Park that was completed within a year's time. She presented a video clip of the grand opening of the interim BMX Park held on Saturday, March 16, 2002.

The recognition of BMX Volunteers was deferred to the public comment section of the Agenda.

### **PUBLIC COMMENT**

Chairperson/Mayor Kennedy opened the floor to comments for items not appearing on this evening's agenda.

Recreation Manager Spier introduced the BMR volunteers to be recognized: Ed Honesto, Jake Honesto and Linda Beltran. Not present this evening were Noni Ressler, Tony Oldofredi, president of the Youth BMX club and Mark Silva.

Mayor Kennedy indicated that the grand opening celebration of the new BMX park was held on Saturday. He stated that this is a wonderful accomplishment for the youth of the community and BMX riders. He presented Certificates of Recognition to Ed Honesto, Linda Beltran and Jake Honesto.

No other comments were offered.

## ***Redevelopment Agency Action***

### **CONSENT CALENDAR:**

**Action:**        *On a motion by Vice-chairwoman Chang and seconded by Agency Member Sellers, the Redevelopment Agency, on a 4-0 vote with Agency Member Tate absent, **approved** Consent Calendar items 1 and 2 as follows:*

1.        **FEBRUARY 2002 FINANCE & INVESTMENT REPORT**

**Action:** ***Accepted** and **Filed** Report.*

**Note:** Mayor Kennedy, noted at the conclusion of the meeting, that this item contained a typographical error. He requested that staff correct page 5, the top paragraph to read \$8,825,000 (not \$18,825,000).

2.        **COMMUNITY PLAYHOUSE SEATING**

**Action:** *1) **Determined**, in Accordance with Section 3.04.150A of the Morgan Hill Municipal Code, that the Competitive Bid Process for the Restoration and Storage of Approximately 200 Theater Chairs Would Cause Unnecessary Expense or Delay of the Project; and 2) **Approved** a Purchase Order in the Amount of \$46,800 with Irwin Seating Company for the Restoration and Storage of Approximately 200 Theater Chairs for the Community Playhouse Project.*

## ***City Council Action***

### **CONSENT CALENDAR:**

**Action:**        *On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council, on a 4-0 vote with Council Member Tate absent, **approved** Consent Calendar item 3, as follows:*

3.        **HOME REHABILITATION LOAN FOR MIRELES**

**Action:** *1) **Approved** a Loan to Kimberly Mireles in the Amount of \$40,000 for a Mobile Home Replacement Loan Under the Housing Rehabilitation Loan Program; 2) **Authorized** the City Manager to Prepare and Execute Loan Documents as Required, Provided the Approved Loan Amount is Not Exceeded; and 3) **Appropriated** \$40,000 From the CDBG Housing Rehabilitation Fund.*

## ***Redevelopment Agency Action***

### **OTHER BUSINESS:**

#### **4. ACQUISITION OF ESQUIVEL PROPERTY**

Director of Business Assistance and Housing Services Toy presented the staff report.

Agency Member Sellers inquired why the parcel of land was not a part of another parcel? Mr. Toy stated that it was staff's understanding that the property once extended to Monterey Road but that the Santa Clara Valley Water District acquired the easement for the creek property, bisecting the property. He indicated that the property receives access from Edes Court.

Agency Member Sellers stated that it made sense for the City to acquire the property. However, he noted that the property was in excess of \$10 per square foot and felt that this was high for property that does not have another value.

Mr. Toy stated that the property was appraised by MAI Appraiser who looked at comparables and that it was determined that the property was not land locked as there is an access road by the creek. He indicated that for smaller properties, one would pay a higher square footage value because it is a smaller piece of property. The appraiser felt that the range of the property was from \$12-\$16 per square foot and that staff offered the lower end of this range.

Chairman Kennedy inquired if staff has developed a master plan that shows how the entire site would ultimately be utilized for recreational purposes? He noted that the BMX and skate park facilities would also be located on this site.

Executive Director Tewes indicated that staff is working on a master plan to locate the indoor recreation center, the BMX and skate park and its relationship to the Community Park.

Chairman Kennedy requested that the master plan include the site layout for recreational purposes for the site currently being used by public works and the corporation yard with the understanding that the ultimate long term goal is to relocate these facilities to an alternate location. He felt that the master plan should incorporate the entire site.

Executive Director Tewes stated that the property is already identified in the Community Park Master Plan as future recreation. As development of the public works and corporation yard is 7 to 8 years away, staff did not specifically designate a particular use in this area other than to reserve the land for possible recreational uses. He indicated that the City Council/Agency Commission has directed staff to look for alternative sites 7 to 8 years from now to locate the corporation yard, including the property currently being used by the School District for the bus yard as their lease expires in 7 years. He stated that the School District has indicated their support of the City's master planning of the property for its future use. Therefore, there could be additional land that could be incorporated into Community Park.

Chairman Kennedy felt that it was important to have consultants, engineers and/or designers come up with a vision on how the entire area is to be used by future Councils, commissions and committees.

**Action:**      *On a motion by Agency Member Carr and seconded by Vice-chairwoman Chang, the Redevelopment Agency, on a 4-0 vote with Agency Member Tate absent, **Authorized** the Executive Director to Execute a Purchase Agreement and any Other Related Documents With the Owner to Acquire the Property Located on West Edmundson Avenue, East of Community Park (APN 767-18-037) for \$110,000 Plus All Closing and Escrow Costs; and **Appropriated** \$115,000 from the Redevelopment Agency's Fund Balance (Fund 317).*

## ***City Council Action***

### **OTHER BUSINESS:**

#### **5.      SOUTH COUNTY HOUSING REHABILITATION PROJECTS**

Director of Business Assistance and Housing Services Toy presented the staff report. He indicated that a representative from South County Housing was present to answer specific questions that the Council may have.

Mayor Kennedy inquired how the City can ensure that it does not lose the affordability status of these projects when the City reaches the end dates for the different projects?

Mr. Toy responded that as the projects move closer to the end dates, the projects would more than likely need to provide substantial rehabilitation to the projects. Should additional rehabilitation funds be provided, the City could extend the affordability as part of the condition of providing said funding.

Mary Lou Mazzone, Facilities and Planning Manager for South County Housing, informed the City Council that she is responsible for making sure that all buildings are maintained. She said that affordability is the main goal and mission of South County Housing and that she did not see the mission statement changing.

Mayor Kennedy said that the City had a problem with one of the senior parks that lost its affordability and that he did not want to see housing units' affordability lost again.

Ms. Mazzone indicated that South County Housing's funding sources require that they retain housing affordability.

City Manager Tewes said that other governmental sources would be needed before the term of the agreement expires and that each time government funding is put into a project, the affordability covenants could be extended.

Mayor Pro Tempore Carr stated when the time lines expire, South County could look to sell off the properties. However, he did not believe that South County Housing could legally change these projects to market rate housing because of their tax status. He noted that the City would be investing \$117,000, increasing the affordability by 50 years (10 years on five projects). He felt that this was a good buy of affordability for the \$117,000. He felt that as the projects get closer to term dates, the City would have additional opportunities to lengthen the affordable time frames by partnerships with South County Housing or other non profit agencies to make sure that they maintain ownership of the projects. He felt that as long as South County Housing manages/owns the projects, these would remain as affordable housing projects.

Council Member Sellers felt that ultimately, the City would be relying on future generations to try to maintain these affordable projects. He was pleased to see that the affordability was extended so far out.

City Manager Tewes noted that a few weeks ago staff brought to the Council the workplan for the Housing Action Strategy. He indicated that the Council requested that staff identify the affordability covenants on various properties in town. He felt that it would be appropriate to address how affordability covenants in the plan can be extended as part of the Housing Action Strategy.

**Action:**        *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council, on a 4-0 vote with Council Member Tate absent, 1) **Approved** a Loan of \$117,740 to South County Housing (SCH) to Rehabilitate Five Rental Housing Properties in the City; 2) **Authorized** the City Manager to Prepare and Execute Loan Documents as Required, Provided the Approved Loan Amount is Not Exceeded; and 3) **Appropriate** \$117,740 From the CDBG Housing Rehabilitation Fund.*

## ***City Council Action***

### **CONSENT CALENDAR:**

**Action:**        *On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council, on a 4-0 vote with Council Member Tate absent, **approved** Consent Calendar item 6 as follows:*

#### **6.        SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR MARCH 20, 2002**

**Action:** **Approved** the minutes as written.

### **FUTURE AGENDA ITEMS**

Council Member Sellers requested that a joint meeting with the Planning Commission be scheduled.

City Manager Tewes indicated that a joint session with the Planning Commission was discussed at

the City Council retreat. At that retreat, the City Council discussed having an opportunity to meet with all commissions, noting that staff is trying to schedule this meeting sometime in September for a half day training session. He said that there was discussion about a joint meeting but that staff did not receive Council direction on this. Should the City Council be interested in a joint meeting with the Planning Commission, he said that it would be appropriate to bring this request up as staff is not planning such a meeting.

Council Member Sellers felt that there are several issues that have come up of late. He stated that he has some concerns, as others do, that the Planning Commission and City Council are not necessarily heading in the same direction. He said that he would like to have an airing and discussion in order to further coordinate efforts. He noted that there are two Planning Commissioners who are resigning in addition to other vacancies. He requested that a joint meeting be scheduled.

Mayor Kennedy stated that he has requested that staff set up a joint meeting of the City Council, Planning Commission, Architectural Review Board and the Downtown Master Plan Committee to hear a presentation by the Valley Transportation Authority (VTA) on transit-urban design, noting that this meeting is being targeted for a May date.

Council Member Sellers recommended that the Council consider adding his recommended discussion with the Planning Commission in conjunction with the VTA presentation in May.

### **ADJOURNMENT**

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 7:30 p.m.

### **MINUTES RECORDED AND PREPARED BY:**

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**Irma Torrez, Agency Secretary/City Clerk**